GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5764
ANSWERED ON:02.05.2003
TAX FREE MUNICIPAL BONDS
NANDIPAKU VENKATASWAMY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the number of proposals received from various State Governments for permitting issuing of tax free municipal bonds by the Municipal Corporation of their respective states;

(b) if so, the number of proposal vetted and approval given;

(c) whether the Government of Andhra Pradesh has also requested for permission to raise Rs. 200 crore through tax-free municipal bonds; and

(d) if so, the action taken by the Union Government thereon and the present status of the proposal.

Answer

Minister of State in the Ministry of Finance (Shri Anandrao V. Adsul)

(a) & (b) : During 2002-2003, two proposals from Nasik Municipal Corporation (Maharashtra) and Municipal Administration and Water Supply Department, Chennai (Tamil Nadu) for issue of Tax Free Municipal Bonds were received. Whereas, the proposal of Nasik Municipal Corporation was approved during 2002-2003, the proposal of Municipal Administration and Water Supply Department, Chennai (Tamil Nadu) could not be approved during 2002-2003 due to paucity of time. The same has been approved during 2003-2004.

(c) No, Sir.

(d) Does not arise.